

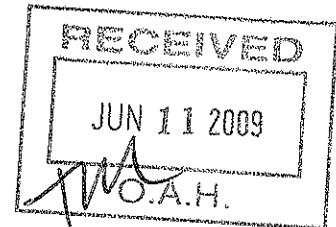
1                                    **ARIZONA DEPARTMENT OF FINANCIAL INSTITUTIONS**

2        In the Matter of the Mortgage Banker License of:

No. 09F-BD080-BNK

3        **WINDSOR CAPITAL MORTGAGE**  
4        **CORPORATION AND FREDERIC W.**  
5        **THRANE, JR., PRESIDENT**  
         10565 N. 114th Street, Suite 109  
         Scottsdale, AZ 85259

**NOTICE OF HEARING TO REVOKE**



6                                    Petitioners.

7  
8                PLEASE TAKE NOTICE that, pursuant to Arizona Revised Statutes ("A.R.S.") §§ 6-137,  
9        6-138, and 41-1092.02, the above-captioned matter will be heard through the Office of  
10        Administrative Hearings, an independent agency, and is scheduled for July 14, 2009, at 9:00 a.m., at  
11        the Office of Administrative Hearings, 1400 West Washington, Suite 101, Phoenix, Arizona, (602)  
12        542-9826 (the "Hearing").

13                The purpose of the Hearing is to determine if grounds exist for: (1) the issuance of an order  
14        pursuant to A.R.S. § 6-137 directing Petitioners to cease and desist from the violative conduct and to  
15        take the appropriate affirmative actions, within a reasonable period of time prescribed by the  
16        Superintendent, to correct the conditions resulting from the unlawful acts, practices, and  
17        transactions; (2) the imposition of a civil monetary penalty pursuant to A.R.S. § 6-132; (3) the  
18        suspension or revocation of Petitioners' license pursuant to A.R.S. § 6-945; (4) an order to pay  
19        restitution of any fees earned on loans made in violation of A.R.S. § 6-941, *et seq.*, pursuant to  
20        A.R.S. §§ 6-131(A)(3) and 6-137; and (5) an order or any other remedy necessary or proper for the  
21        enforcement of statutes and rules regulating mortgage bankers pursuant to A.R.S. §§ 6-123 and  
22        6-131.

23                Pursuant to A.R.S. § 6-138, the Superintendent of Financial Institutions for the State of  
24        Arizona (the "Superintendent") delegates the authority vested in the Superintendent, whether implied  
25        or expressed, to the Director of the Office of Administrative Hearings or the Director's designee to  
26        preside over the Hearing as the Administrative Law Judge, to make written recommendations to the

1 Superintendent consisting of proposed Findings of Fact, Conclusions of Law, and Order. The Office  
2 of Administrative Hearings has designated Lewis D. Kowal, at the address and phone number listed  
3 above, as the Administrative Law Judge for these proceedings. Pursuant to Arizona Administrative  
4 Code ("A.A.C.") Rule 2-19-104 and A.R.S. §§ 41-1092.01(H)(1) and 41-1092.08, the  
5 Superintendent retains authority to enter orders granting a stay, orders on motions for rehearing, final  
6 decisions pursuant to A.R.S. § 41-1092.08 or other order or process which the Administrative Law  
7 Judge is specifically prohibited from entering.

8 Motions to continue this matter shall be made in writing to the Administrative Law Judge **not**  
9 **less than fifteen (15) days** prior to the date set for the Hearing. A copy of any motion to continue  
10 shall be mailed or hand-delivered to the opposing party on the same date of filing with the Office of  
11 Administrative Hearings.

12 A.R.S. § 41-1092.07 entitles any person affected by this Hearing to appear in person and by  
13 counsel, or to proceed without counsel during the giving of all evidence, to have a reasonable  
14 opportunity to inspect all documentary evidence, to cross-examine witnesses, to present evidence  
15 and witnesses in support of his/her interests, and to have subpoenas issued by the Administrative  
16 Law Judge to compel attendance of witnesses and production of evidence. Pursuant to A.R.S.  
17 § 41-1092.07(B), any person may appear on his or her own behalf or by counsel.

18 Pursuant to A.R.S. § 41-1092.07(E), a clear and accurate record of the proceedings will be  
19 made by a court reporter. The transcription of the hearing proceedings by the court reporter shall be  
20 the official record for purposes of the Administrative Law Judge's Recommended Decision and the  
21 Superintendent's Final Decision and Order. Any party that requests a transcript of the proceedings  
22 shall pay the cost of the transcript for the court reporter or other transcriber.

23 Questions concerning issues raised in this Notice of Hearing should be directed to Assistant  
24 Attorney General Craig A. Raby, (602) 542-8889, 1275 West Washington, Phoenix, Arizona 85007.

#### 25 **NOTICE OF APPLICABLE RULES**

26 On February 7, 1978, the Arizona Department of Financial Institutions (the "Department")

1 adopted A.A.C. R20-4-1201 through R20-4-1220, which were amended September 12, 2001, setting  
2 forth the rules of practice and procedure applicable in contested cases and appealable agency actions  
3 before the Superintendent. The hearing will be conducted pursuant to these rules and the rules  
4 governing procedures before the Office of Administrative Hearings, A.A.C. R2-19-101 through  
5 R2-19-122. A copy of these rules is enclosed.

6 Pursuant to A.A.C. R20-4-1209, Petitioners shall file a written answer **within twenty (20)**  
7 **days** after issuance of this Notice of Hearing. The answer shall briefly state the Petitioners' position  
8 or defense and shall specifically admit or deny each of the assertions contained in this Notice of  
9 Hearing. If the answering Petitioners are without or are unable to reasonably obtain knowledge or  
10 information sufficient to form a belief as to the truth of an assertion, Petitioners shall so state, which  
11 shall have the effect of a denial. Any assertion not denied is deemed admitted. When Petitioners  
12 intend to deny only a part or a qualification of an assertion, or to qualify an assertion, Petitioners  
13 shall expressly admit so much of it as is true and shall deny the remainder. Any defense not raised  
14 in the answer is deemed waived.

15 **If a timely answer is not filed, pursuant to A.A.C. R20-4-1209(D), Petitioners will be**  
16 **deemed in default** and the Superintendent may deem the allegations in this Notice of Hearing as  
17 true and admitted and the Superintendent may take whatever action is appropriate, including  
18 suspension, revocation, denial of Petitioners' license or affirming an order to Cease and Desist and  
19 imposition of a civil penalty or restitution to any injured party.

20 Petitioners' answer shall be mailed or delivered to the Arizona Department of Financial  
21 Institutions, 2910 North 44th Street, Suite 310, Phoenix, Arizona 85018, with a copy mailed or  
22 delivered to the Office of Administrative Hearings, 1400 West Washington, Suite 101, Phoenix,  
23 Arizona 85007 and to Assistant Attorney General Craig A. Raby, Consumer Protection & Advocacy  
24 Section, Attorney General's Office, 1275 West Washington, Phoenix, Arizona 85007.

25 **Persons with disabilities may request reasonable accommodations such as interpreters,**  
26 **alternative format or assistance with physical accessibility.** Requests for accommodations must

1 be made as early as possible to allow time to arrange the accommodations. If accommodations are  
2 required, call the Office of Administrative Hearings at (602) 542-9826.

### 3 COMPLAINT

4 1. Petitioner Windsor Capital Mortgage Corporation ("Windsor Capital") is a California  
5 corporation authorized to transact business in Arizona as a mortgage banker, license number  
6 BK 0902184, within the meaning of A.R.S. §§ 6-941, *et seq.* The nature of Windsor Capital's  
7 business is that of making, negotiating, or offering to make or negotiate a mortgage banking loan or  
8 a mortgage loan secured by Arizona real property within the meaning of A.R.S. § 6-941(5).

9 2. Petitioner Frederic W. Thrane, Jr. ("Mr. Thrane") is President of Windsor Capital and is  
10 authorized to transact business in Arizona as a mortgage banker within the meaning of A.R.S.  
11 § 6-941(5), as outlined within A.R.S. § 6-943(F).

12 3. Windsor Capital and Mr. Thrane are not exempt from licensure as mortgage bankers within  
13 the meaning of A.R.S. §§ 6-942 and 6-941(5).

14 4. An examination of Windsor Capital conducted by the Department, beginning  
15 September 29, 2008, and concluding November 5, 2008, revealed that Petitioners:

16 a. Originated and/or processed mortgage loans from at least three (3) branch office  
17 locations before first obtaining a branch office license from the Superintendent;  
18 specifically:

19 i. Petitioners originated four (4) loans from 3050 E. Birch Street, Brea,  
20 California, 92821, an unlicensed branch location, for Francis K., for two (2)  
21 different properties located at 505 W. 10th Street, Casa Grande, Arizona and  
22 507 W. 10th Street, Casa Grande, Arizona; and

23 ii. Additional loan files reflect processing documents with return addresses to  
24 unlicensed locations, appraisals addressed to unlicensed locations, and funding  
25 checks issued to unlicensed addresses;

26 ...

- 1 b. Failed to conduct the minimum elements of reasonable employee investigations prior  
2 to hiring at least twenty eight (28) employees; specifically:
- 3 i. The Employment Eligibility Verification (Form I-9) was incomplete for at  
4 least eighteen (18) employees;
  - 5 ii. A completed and signed employment application was missing or incomplete  
6 for at least two (2) employees;
  - 7 iii. Failed to obtain a signed statement attesting to all of an applicant's felony  
8 convictions, including detailed information regarding each conviction, prior to  
9 hiring at least two (2) employees;
  - 10 iv. Failed to consult with the applicant's most recent or next most recent employer  
11 prior to hiring at least two (2) employees;
  - 12 v. Failed to inquire regarding an applicant's qualifications and competence for  
13 the position prior to hiring at least two (2) employees;
  - 14 vi. Failed to obtain a current credit report from a crediting reporting agency prior  
15 to hiring at least one (1) employee; and
  - 16 vii. Failed to correct this violation from their previous examination;
- 17 c. Allowed borrowers to sign regulated documents containing blank spaces; specifically:
- 18 i. At least ten (10) Broker Disclosure Statements were signed in blank;
  - 19 ii. At least five (5) Forms 4506T were signed in blank;
  - 20 iii. At least two (2) Initial Truth in Lending Disclosures were signed in blank;
  - 21 iv. At least one (1) Servicing Transfer Disclosure was signed in blank; and
  - 22 v. Failed to correct this violation from their previous examination;
- 23 d. Failed to comply with the disclosure requirements of Title I of the Consumer Credit  
24 Protection Act (15 U.S.C. §§ 1601 through 1666j), the Real Estate Settlement  
25 Procedures Act (12 U.S.C. §§ 2601 through 2617), and the regulations promulgated  
26 under these acts; specifically:

- i. Failed to calculate the annual percentage rate ("APR") in at last four (4) loan files;
  - ii. The Initial Truth in Lending Disclosure was incomplete in at least four (4) loan files;
  - iii. An administrative fee was charged and collected in at least one (1) loan file; and
  - iv. Failed to correct this violation from their previous examination;
- e. Made false promises or misrepresentations or concealed an essential or material fact in the course of the mortgage banker business; specifically:
- i. Borrower M.B. closed nine (9) mortgage loan transactions, with Petitioners, on five (5) different properties. The loan officer for all transactions was John Lemme. The transactions included; specifically:
    1. Transaction One (1) funded by Homecomings Financial Network, Inc. on 3-8-06. An investment purchase including a first and second mortgage loan totaling \$229,500.00. The property is located at 1050 W. Heather Avenue, Gilbert, AZ 85233.
    2. Transaction Two (2) funded by IndyMac Bank on 3-22-06. An owner occupied refinance including a second mortgage loan totaling \$95,250.00. The property is located at 6321 E. Shannon Drive, Tempe, AZ 85283.
    3. Transaction Three (3) funded by American Brokers Conduit on 4-11-06. An owner occupied purchase including a first and second mortgage loan totaling \$562,900.00. The property is located at 6353 S. Shannon Drive, Tempe, AZ 85283.
    4. Transaction Four (4) funded by First National Bank of Arizona on 7-10-06. An investment purchase including a first and second mortgage loan

1 totaling \$198,135.00. The property is located at 34364 North Mashona  
2 Trail, Queen Creek, AZ 85243.

3 5. Transaction Five (5) funded by Bank of America on 12-6-06. An owner  
4 occupied purchase including a first and second mortgage loan totaling  
5 \$416,900.00. The property is located at 7037 E. Main Street #F204,  
6 Scottsdale, AZ 85251.

7 a. The mortgage file for transaction two (2) contained a Fannie Mae  
8 loan application (form 1003), dated 3-16-06, which failed to  
9 disclose transaction one (1) on the schedule of real estate owned.  
10 Transaction one (1) was closed in the borrower's name and  
11 contains a final HUD-1 settlement statement, showing a settlement  
12 date of 3-8-06. The failure to disclose transaction one (1)  
13 concealed a \$229,500.00 mortgage obligation from the lender;

14 b. The mortgage file for transaction three (3) contained a Fannie Mae  
15 loan application (form 1003), dated 4-6-06, which failed to  
16 disclose transaction one (1) on the schedule of real estate owned.  
17 Transaction one (1) was closed in the borrower's name and  
18 contains a final HUD-1 settlement statement, showing a settlement  
19 date of 3-8-06. The failure to disclose transaction one (1)  
20 concealed a \$229,500.00 mortgage obligation from the lender;

21 c. The mortgage file for transaction four (4) contained a Fannie Mae  
22 loan application (form 1003), dated 7-7-06, which failed to  
23 disclose transaction one (1) and three (3) on the schedule of real  
24 estate owned. Transaction one (1) was closed in the borrower's  
25 name and contains a final HUD-1 settlement statement, showing a  
26 settlement date of 3-8-06. Transaction three (3) was closed in the

- 1 borrower's name and contains a final HUD-1 settlement statement,  
2 showing a settlement date of 4-11-06. The failure to disclose  
3 transaction one (1) concealed a \$229,500.00 mortgage obligation  
4 from the lender. The failure to disclose transaction three (3)  
5 concealed a \$562,900.00 mortgage obligation from the lender; and  
6 d. The mortgage file for transaction five (5) contained a Fannie Mae  
7 loan application (form 1003), dated 11-29-06, which failed to  
8 disclose transaction four (4) on the schedule of real estate owned.  
9 Transaction four (4) was closed in the borrower's name and  
10 contains a final HUD-1 settlement statement, showing a settlement  
11 date of 7-10-06. The failure to disclose transaction four (4)  
12 concealed a \$198,135.00 mortgage obligation from the lender;
- 13 ii. Borrower M.B. closed two (2) mortgage loan transactions, with Petitioners, on  
14 two (2) different properties. The loan officer for all transactions was Michael  
15 Faulkner. The transactions included; specifically:
- 16 1. Transaction One (1) funded by American Mortgage Network, Inc. on 4-  
17 10-06. An owner occupied refinance including a first mortgage loan  
18 totaling \$400,000.00. The property is located at 8404 West Gardenia,  
19 Glendale, AZ.
- 20 2. Transaction Two (2) funded by Winstar Mortgage Partners, Inc. on 6-6-  
21 06. An owner occupied refinance including a first mortgage loan  
22 totaling \$253,000.00. The property is located at 8713 East Monterosa  
23 Avenue, Scottsdale, AZ.
- 24 a. The mortgage file for transaction two (2) contained a Fannie Mae  
25 loan application (form 1003), dated 4-16-06, which discloses the  
26 borrower has owner occupied this property for 1 year and 7



1 months. The mortgage file for transaction one (1) contained a  
2 Fannie Mae loan application (form 1003), dated 3-20-06, which  
3 discloses the borrower has owner occupied this property for 6  
4 months. These loan transactions clearly indicate that the borrower  
5 obtained loans under more favorable terms by improperly stating  
6 the subject property was his primary residence;

7 iii. Borrower C.B. closed four (4) mortgage loan transactions, with Petitioners, on  
8 two (2) different properties. The loan officer for all transactions was Richard  
9 Ian Parker. The transactions included; specifically:

10 1. Transaction One (1) funded by Plaza Home Mortgage, Inc. on 11-13-06.

11 An investment purchase including a first and second mortgage loan  
12 totaling \$699,000.00. The property is located at 8404 West Gardenia,  
13 Glendale, AZ.

14 2. Transaction Two (2) funded by Winstar Mortgage Partners, Inc. on 11-

15 30-06. An investment purchase including a first and second mortgage  
16 loan totaling \$535,000.00. The property is located at 8713 East  
17 Monterosa Avenue, Scottsdale, AZ.

18 a. The mortgage file for transaction two (2) contained a Fannie Mae  
19 loan application (form 1003), dated 11-27-06, which failed to  
20 disclose transaction one (1) on the schedule of real estate owned.  
21 Transaction one (1) was closed in the borrower's name and  
22 contains a final HUD-1 settlement statement, showing a settlement  
23 date of 11-13-06. The failure to disclose transaction one (1)  
24 concealed a \$699,000.00 mortgage obligation from the lender. The  
25 purchase contract for transaction two (2) was signed and accepted  
26 on 10-24-06;

1           iv. Borrower V.C. closed three (3) mortgage loan transactions, with Petitioners, on  
2           three (3) different properties. The loan officer for all transactions was Mickie  
3           Maurer. The transactions included; specifically:

4               1. Transaction One (1) funded by Sun American Mortgage Company on 4-  
5               13-06 An investment refinance including a first mortgage loan totaling  
6               \$220,500.00. The property is located at 5756 East 28th Street, Tucson,  
7               AZ.

8               2. Transaction Two (2) funded by Sun American Mortgage Company on  
9               5-8-06. An investment refinance including a first mortgage loan  
10              totaling \$107,100.00. The property is located at 3419 South Bowie  
11              Place, Tucson, AZ.

12              3. Transaction Three (3) funded by Aegis Home Equity on 8-30-06. An  
13              investment refinance including a second mortgage loan totaling  
14              \$45,850.00. The property is located at 3419 South Bowie Place,  
15              Tucson, AZ.

16              a. The mortgage file for transaction three (3) contained a Fannie Mae  
17              loan application (form 1003), dated 8-25-06, which failed to  
18              disclose transaction one (1) on the schedule of real estate owned.  
19              Transaction one (1) was closed in the borrower's name and  
20              contains a final HUD-1 settlement statement, showing a settlement  
21              date of 4-13-06. The failure to disclose transaction one (1)  
22              concealed a \$220,500.00 mortgage obligation from the lender;

23           v. Borrower D.H. closed five (5) mortgage loan transactions, with Petitioners, on  
24           three (3) different properties. The loan officer for all transactions was Paul  
25           Altfas. The transactions included; specifically:

26               1. Transaction One (1) funded by IRES Company, ISAOA on 6-8-06. An

1 investment purchase including a first and second mortgage loan totaling  
2 \$247,500.00. The property is located at 5233 West Brown Street,  
3 Glendale, AZ. Contract for purchase accepted on 4-28-06.

- 4 2. Transaction Two (2) funded by Sun American Mortgage Company on  
5 6-16-06. An investment purchase including a first and second mortgage  
6 loan totaling \$207,000.00. The property is located at 6325 West  
7 Mohave Street, Phoenix, AZ. Contract for purchase accepted on 5-5-06.

- 8 3. Transaction Three (3) funded by IRES Company, ISAOA on 8-25-06.  
9 An investment refinance including a first mortgage loan totaling  
10 \$242,100.00. The property is located at 3830 E. Lakewood Parkway  
11 #1078, Phoenix, AZ.

12 a. The mortgage file for transaction two (2) contained a Fannie Mae  
13 loan application (form 1003), dated 6-14-06, which failed to  
14 disclose transaction one (1) on the schedule of real estate owned.  
15 Transaction one (1) was closed in the borrower's name and  
16 contains a final HUD-1 settlement statement, showing a settlement  
17 date of 6-8-06. The failure to disclose transaction one (1)  
18 concealed a \$247,500.00 mortgage obligation from the lender; and

19 b. The mortgage file for transaction three (3) contained a Fannie Mae  
20 loan application (form 1003), dated 8-1-06, which failed to  
21 disclose transaction one (1) and two (2) on the schedule of real  
22 estate owned. Transaction one (1) was closed in the borrower's  
23 name and contains a final HUD-1 settlement statement, showing a  
24 settlement date of 6-8-06. The failure to disclose transaction one  
25 (1) concealed a \$247,500.00 mortgage obligation from the lender.  
26 Transaction two (2) was closed in the borrower's name and

contains a final HUD-1 settlement statement, showing a settlement date of 6-16-06. The failure to disclose transaction two (2) concealed a \$207,000.00 mortgage obligation from the lender;

vi. Borrower A.C. closed five (5) mortgage loan transactions, with Petitioners, on five (5) different properties. The loan officer for all transactions was Alejandro Gallegos. The transactions included; specifically:

1. Transaction One (1) funded by Homecomings Financial Network, Inc. on 7-27-06. An investment refinance including a first mortgage loan totaling \$192,000.00. The property is located at 10832 East Shale Drive, Yuma, AZ 85365.
2. Transaction Two (2) funded by Homecomings Financial Network, Inc. on 7-27-06. An investment refinance including a first mortgage loan totaling \$192,000.00. The property is located at 10840 East Shale Drive, Yuma, AZ 85365.
3. Transaction Three (3) funded by Homecomings Financial Network, Inc. on 7-31-06. An investment refinance including a first mortgage loan totaling \$192,000.00. The property is located at 10824 East Shale Drive, Yuma, AZ 85365.
4. Transaction Four (4) funded by Homecomings Financial Network, Inc. on 9-7-06. An owner occupied refinance including a first mortgage loan totaling \$215,000.00. The property is located at 2684 South 16th Drive, Yuma, AZ 85364.
5. Transaction Five (5) funded by Bank of America on 9-8-06. An investment refinance including a first mortgage loan totaling \$112,450.00. The property is located at 2013 E. San Luis Lane, San Luis, AZ 85349.

1 a. The mortgage file for transaction five (5) contained a Fannie Mae  
2 loan application (form 1003), dated 8-29-06, which failed to  
3 disclose transaction one (1), two (2) and three (3) on the schedule  
4 of real estate owned. Transaction one (1) was closed in the  
5 borrower's name and contains a final HUD-1 settlement statement,  
6 showing a settlement date of 7-27-06. The failure to disclose  
7 transaction one (1) concealed a \$192,000.00 mortgage obligation  
8 from the lender. Transaction two (2) was closed in the borrower's  
9 name and contains a final HUD-1 settlement statement, showing a  
10 settlement date of 7-27-06. The failure to disclose transaction two  
11 (2) concealed a \$192,000.00 mortgage obligation from the lender.  
12 Transaction three (3) was closed in the borrower's name and  
13 contains a final HUD-1 settlement statement, showing a settlement  
14 date of 7-31-06. The failure to disclose transaction three (3)  
15 concealed a \$192,000.00 mortgage obligation from the lender;

16 f. Failed to ensure that the Responsible Individual maintained a position of active  
17 management and failed to ensure that the Responsible Individual supervised  
18 compliance with Arizona statutes and rules; as evidenced specifically:

- 19 i. By the existence of unlicensed branch locations;  
20 ii. By Petitioners originating and closing thirteen (13) loans that contain  
21 misrepresentations and/or conceal material facts; and  
22 iii. By the number of repeat violations.

23 5. Based upon the above findings, the Department issued and served upon Petitioners an Order  
24 to Cease and Desist; Notice of Opportunity For Hearing; Consent to Entry of Order ("Cease and  
25 Desist Order") on April 21, 2009.

26 ...

6. On May 20, 2009, Petitioners filed a Request for Hearing to appeal the Cease and Desist Order.

## LAW

1. Pursuant to A.R.S. §§ 6-941, *et seq.*, the Superintendent has the authority and duty to regulate all persons engaged in the mortgage banker business and with the enforcement of statutes, rules, and regulations relating to mortgage bankers.

2. By the conduct set forth in the Complaint, Windsor Capital and Mr. Thrane violated the following:

- a. A.R.S. § 6-944(D) by originating and/or processing mortgage loans from at least three (3) branch office locations before first obtaining a branch office license from the Superintendent;
- b. A.R.S. § 6-943(O) and A.A.C. R20-4-102 by failing to conduct the minimum elements of reasonable employee investigations prior to hiring employees;
- c. A.R.S. § 6-947(A) and A.A.C. R20-4-1808 by allowing borrowers to sign regulated documents containing blank spaces;
- d. A.R.S. § 6-946(E) and A.A.C. R20-4-1806(B)(6)(e) by failing to comply with the disclosure requirements of Title I of the Consumer Credit Protection Act (15 U.S.C. §§ 1601 through 1666j), the Real Estate Settlement Procedures Act (12 U.S.C. §§ 2601 through 2617), and the regulations promulgated under these acts;
- e. A.R.S. § 6-947(L) by making false promises or misrepresentations or concealing an essential or material fact in the course of the mortgage banker business; and
- f. A.R.S. § 6-943(F) and A.A.C. R20-4-102 by failing to ensure that the Responsible Individual maintained a position of active management and failing to ensure that the Responsible Individual supervised compliance with Arizona statutes and rules.


3. Petitioners violated any applicable law, rule or order in the conduct of their mortgage banker business, which is grounds for the suspension or revocation of Petitioners' mortgage banker license, pursuant to A.R.S. § 6-945(A)(7).

4. The violations, set forth above, constitute grounds for: (1) the issuance of an order pursuant to A.R.S. § 6-137 directing Petitioners to cease and desist from the violative conduct and to take the appropriate affirmative actions, within a reasonable period of time prescribed by the Superintendent, to correct the conditions resulting from the unlawful acts, practices, and transactions; (2) the imposition of a civil monetary penalty pursuant to A.R.S. § 6-132; (3) the suspension or revocation of Petitioners' license pursuant to A.R.S. § 6-945; (4) an order to pay restitution of any fees earned on loans made in violation of A.R.S. § 6-941, *et seq.*, pursuant to A.R.S. §§ 6-131(A)(3) and 6-137; and (5) an order or any other remedy necessary or proper for the enforcement of statutes and rules regulating mortgage bankers pursuant to A.R.S. §§ 6-123 and 6-131.

WHEREFORE, if after a hearing, the Superintendent makes a finding of one or more of the above-described violations, the Superintendent may affirm the April 21, 2009 Cease and Desist Order pursuant to A.R.S. § 6-137; impose a civil money penalty pursuant to A.R.S. § 6-132; suspend or revoke Petitioners' license pursuant to A.R.S. § 6-945; an order to pay restitution of any fees earned on loans made in violation of A.R.S. § 6-941, *et seq.*, pursuant to A.R.S. §§ 6-131(A)(3) and 6-137; and (5) an order or any other remedy necessary or proper for the enforcement of statutes and rules regulating mortgage bankers pursuant to A.R.S. §§ 6-123 and 6-131.

DATED this 11 day of June, 2009.

Felecia A. Rotellini  
Superintendent of Financial Institutions

By   
Robert D. Charlton  
Assistant Superintendent of Financial Institutions

1 ORIGINAL of the foregoing filed this 11<sup>th</sup>  
2 day of June, 2009, in the office of:

3 Felecia A. Rotellini  
4 Superintendent of Financial Institutions  
5 Arizona Department of Financial Institutions  
6 ATTN: Susan Longo  
7 2910 N. 44th Street, Suite 310  
8 Phoenix, AZ 85018

9 COPY mailed/delivered same date to:

10 Lewis D. Kowal  
11 Administrative Law Judge  
12 Office of the Administrative Hearings  
13 1400 West Washington, Suite 101  
14 Phoenix, AZ 85007

15 Craig A. Raby  
16 Assistant Attorney General  
17 Office of the Attorney General  
18 1275 West Washington  
19 Phoenix, AZ 85007

20 Robert D. Charlton, Assistant Superintendent  
21 Brian R. Naig, Senior Examiner  
22 Arizona Department of Financial Institutions  
23 2910 North 44th Street, Suite 310  
24 Phoenix, AZ 85018

25 AND COPY MAILED SAME DATE by  
26 Certified Mail, Return Receipt Requested, to:

Frederic W. Thrane, Jr., President  
Windsor Capital Mortgage Corporation  
10565 N. 114th Street, Suite 109  
Scottsdale, Arizona 85259

Frederic W. Thrane, Jr., President  
Windsor Capital Mortgage Corporation  
4810 Eastgate Mall, Suite 203  
San Diego, CA 92121

Noelle Pepper, Esq.  
Windsor Capital Mortgage Corporation  
4810 Eastgate Mall, Suite 203  
San Diego, CA 92121

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1 Paracorp Incorporated, Statutory Agent For:  
2 Windsor Capital Mortgage Corporation  
3 10565 N. 114th Street, Suite 109  
4 Scottsdale, Arizona 85259

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